



Indiana State
Treasurer's Office

BANKING & INVESTMENTS

AND THE INDIANA CODE



AUTHORIZED BANK PRODUCTS (DEPOSIT ACCOUNTS)



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- DDA Checking Accounts
- Negotiable order of withdrawal (NOW) accounts
- Passbook savings accounts
- Certificates of Deposits (CDs)
- Money Market Accounts
- Any Interest – bearing account that is authorized and offered by a financial institution in the course of its respective business

PDIF INSURED ACCOUNTS



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Make sure your deposits are PDIF insured

- Are they Public Funds? (IC 5-13-4-20)
- Fees and funds in the possession of a "Public Officer" by virtue of that office
- Is the financial institution and approved depository?
www.in.gov/tos/deposit/files/approveddepositories.pdf

PDIF covers losses above FDIC limits

HOW TO MAXIMIZE YOUR FDIC INSURANCE



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- FDIC coverage of \$250,000 per depositor
- Certificate of Deposit Registry Service (CDARS)
- Allows a depositor to maximize FDIC Coverage
- Allowed by IC 5-13-9-5.3
- Funds placed in CDARS depository are then exchanged with other participating depositories in lots of \$250,000 to maximize FDIC coverage
- Initial deposit must be with an approved depository

TRANSACTION ACCOUNTS

See IC 5-13-9-4(a)



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Special rules for political subdivisions

- Must establish transaction accounts in depositories with branches within political boundaries
- Exception for political subdivisions that cross county lines or those without a depository within its boundaries (or only one), or if no depository will offer a transaction account

Does not apply to
county hospitals

CERTIFICATE OF DEPOSIT REQUIRED PROCEDURES

See IC 5-13-9-4(b)



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Every investing officer must obtain 3 quotes on the specific rate of interest for the term of the certificate of deposit

- The quote must be recorded in a memorandum
- The quote must be retained as a public record
- If the deposit is not placed in the institution quoting the highest rate, the fiscal officer must note the reason why
- Can invest in CDs from any depository on state's approved list if county commissioners or political subdivision's fiscal body passes resolution authorizing it (renewed every two years)

See IC 5-13-9-5 (A)

MONEY MARKET MUTUAL FUNDS

See IC 5-13-9-2.5



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Money Market Mutual Fund requirements:

- Must be rated AAA, or its equivalent, by Standard & Poors or Aaa, or its equivalent by Moody's
- Purchase, sells, or holds direct obligations of the United States Treasury or other obligations issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise
- Must be purchased through an institution on the state's approved depository list
- Must have a final stated maturity of one day

INVESTMENTS IN ELIGIBLE SECURITIES

See IC 5-13-9-2



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Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by any of the following:

- The United State's Treasury (Notes and t-bills)
- Federal agency (Government National Mortgage Agency)
- Federal Instrumentality
- Federal government sponsored enterprise (Federal Home Loan Bank)
- Securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a government sponsored enterprise
- Certain municipal securities - **See IC 5-13-9-2 (a)(3)**

SECURITIES – CRITICAL CRITERIA



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- Use of a broker-dealer that is SEC licensed
- Use of a custodial bank that is on the state's approved depository list or has combined capital and surplus of at least \$10 million
- Securities may have a maximum maturity of 2 years unless authorized (up to 5 years) by a properly adopted investment policy under 5-13-9-5.7

REPURCHASE AGREEMENTS

See IC 5-13-9-3



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- An agreement involving the purchase and guaranteed resale of securities
- Can be a one time commitment or an ongoing commitment
- Must have a final stated maturity of one day (overnight)
- Must be fully collateralized
- Must be made through a depository on the state's approved depository list

LOCAL GOVERNMENT INVESTMENT POOL

See IC 5-13-9-11



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- Established within the office and custody of the treasurer of state
- An officer may pay any funds held by the officer into the investment pool for the purpose of deposit, investment, and reinvestment of the funds by the Treasurer of State on behalf of the unit of government paying the funds into the investment pool

LOCAL BOARD OF FINANCE

See IC 5-13-4-19



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Local Board of Finance Members

Each local board of finance *SHALL* meet annually after the first Monday on or before the last day of January to complete the following:

- From the board's membership, elect a president and a secretary
- Receive and review the report required by IC 5-13-7-7
- Review the overall investment policy
- The report must contain a summary of all investments made during the previous calendar year

Cities, towns,
and county
hospitals are
exempt from
meeting
requirements

Local Board of Finance Responsibilities

Each local board of finance *SHALL* meet annually after the first Monday on or before the last day of January to complete the following:

- From the board's membership, elect a president and a secretary
- Receive and review the report required by IC 5-13-7-7
- Review the overall investment policy
- The report must contain a summary of all investments made during the previous calendar year

Consult your county attorney or counsel regarding this requirement

POLITICAL SUBDIVISION INVESTMENT POLICY

See IC 5-13-9-5.7



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The fiscal body of a subdivision may adopt an investment policy authorizing the investment of public funds of the political subdivision for more than 2 years and not more than five years.

The policy must:

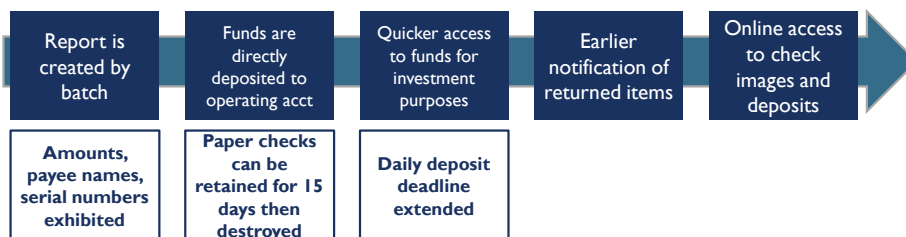
- Be in writing
- Be adopted at a public meeting
- Provide for investment of public funds with the approval of the investment officer
- Provide that the investments must be made in accordance with this article
- Limit the total investments outstanding under this section to not more than 25% of the total portfolio of public funds invested by the political subdivision including balances in transaction accounts AND
- State a date on which the policy expires, which may not exceed four years

BANKING SERVICES: REMOTE CAPTURE



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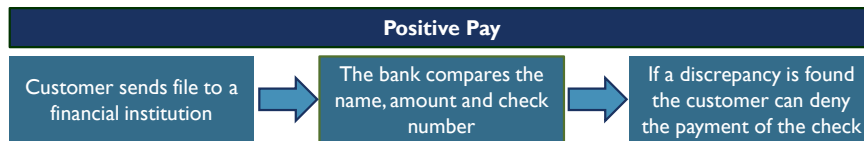
Remote capture/Image Transmission is the process of scanning and transmitting electronic images of paper checks to financial institutions



BANKING SERVICES: POSITIVE PAY



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Benefits

- Reduces fraud
- Financial institutions can return the images of questionable checks quicker to bank of first deposit
- Reduction of customers collection items

BANKING SERVICE: CHARGE CARD PROCESSING



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Charge card payments can be accepted by county organizations, schools, or towns by joining the State of Indiana's charge card contract with Value Payments System, Inc.

Contact:

Katie Potter
Financial Portfolio Contract Manager
Indiana Department of Administration
Indiana Government Center South
402 W. Washington St., RM W468

Phone: 317-234-4998

Email: kpotter1@idoa.in.gov

BANKING SERVICES & TREASURY MANAGEMENT



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- Questions on banking services:
 - Deposit accounts
 - Lockbox, remote capture
 - Positive pay
 - ACH and wire transfers
 - Charge Cards processing
 - E-Check payments
 - Direct deposit
- Suggestions on improving the processing of revenue or payments. Ways to decrease bank fees. Possibly earn interest on checking accounts to help offset fees.
- General operation questions both for accounts receivable and accounts payable.
- Contact Kim Logan at 317-233-0921 or email Klogan@tos.in.gov

QUESTIONS OR COMMENTS



Indiana State
Treasurer's Office

Mike Frick
Deputy Treasurer

Indiana Treasurer of State's Office
200 W. Washington St., 242
Indianapolis, IN 46204
317-232-0140

mfrick@tos.in.gov
www.in.gov/tos/

Portfolio Manager

Kim Logan
Deputy Treasurer

Indiana Treasurer of State's Office
302 W. Washington St., IGC-S E016
Indianapolis, IN 46204
317-233-0921

Klogan@tos.in.gov
www.in.gov/tos/

Treasury management , Banking
products and services, or general
operational questions.



Local Government Investment Pool



TrustINDiana:
An Alternative Investment Option for Local
Governments

Presented by

Cindy Barger
Director, TrustINDiana
Indiana State Treasurer's Office

Summary

- Program Highlights
- LGIP Overview
- Portfolio Update
- Market Outlook

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Program Highlights

General Information

- Authorized by the Indiana General Assembly's passage of Indiana Code 5-13-9-11 during its 2007 session
- TrustIndiana opened in February 2008 after an extensive due diligence and development process
- TrustIndiana is open to all local units of government including the State of Indiana
- Participants share a common pool of investments which stresses:
 - Safety – preservation of principal
 - Liquidity – same day access to funds
 - Yield – maximizes returns using economies of scale

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Program Highlights

Safety

With TrustIndiana, the SAFETY of public funds is paramount

- Invests strictly in securities allowable by Indiana law
- Assets held by a third-party custodian (Bank of New York)
- Fund portfolio managed by professional team with over 20 years of experience
- Annual audit performed by an independent auditing firm
- At least 50% of portfolio funds held in Indiana banks

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Program Highlights

Liquidity

TrustIndiana offers daily LIQUIDITY to all Participants

- Actively managed to ensure that cash is readily available
- Dollars invested today are available tomorrow with interest
- No withdrawal penalties
- No transaction or wire fees*
- Maximum weighted average maturity (WAM) of 60 days or less

*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no fees charged from TrustIndiana for such transactions.

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Program Highlights

Yield

Program optimizes YIELD while maintaining safety

- TrustIndiana has maintained a competitive yield despite recent economic turbulence
- Serves as a diversification tool and offers larger scale investment options to smaller entities
- Portfolio managers have extensive fixed income/public sector expertise
- Returns are calculated and paid daily

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Program Highlights

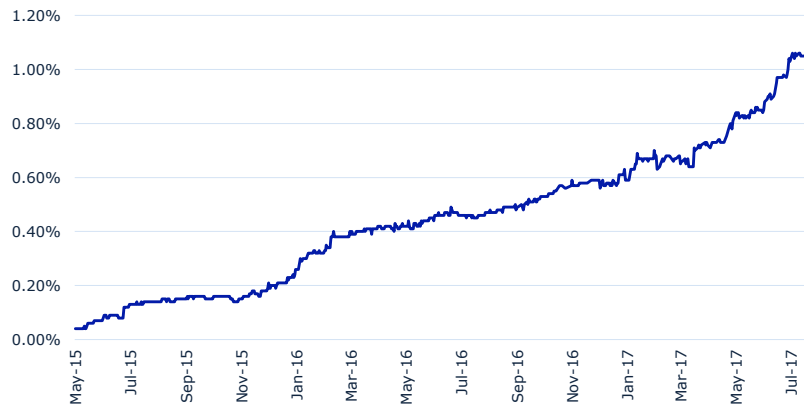
Convenience

TrustIndiana was designed with CONVENIENCE in mind

- MYACCESS feature allows for fast, safe and secure online transaction processing and reporting access
- Funds transferrable via wire or ACH
- Experienced and professional client service team
- Monthly reporting, newsletters, economic updates and yield information all available online or via email

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TrustIndiana Daily Yield (May 2015 – July 2017)*



*Past performance does not guarantee future results, yields can vary over time. Daily yield is the dividend factor multiplied by the number of days in the year. Any financial and/or investment decision may incur losses.

Source: Public Trust Advisors

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TrustIndiana Daily Rate for July 24, 2016:

1.06%*



*Past performance does not guarantee future results, yields can vary over time. Daily yield is the dividend factor multiplied by the number of days in the year. Any financial and/or investment decision may incur losses.

Source: Public Trust Advisors

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How to open Your TrustIndiana Account

- No Resolution or Ordinance required
- See Registration Forms in packet provided (or online), and complete:
 - Account Setup, Key Contact/Authorized Signers, Bank Authorization, Subaccounts
- Finalize with authorized signature and email or fax paperwork to Client Services
- Account can be ready for use as soon as the next business day

For questions about the Registration Process, please contact:

Cindy Barger
Director, TrustIndiana
200 W. Washington St., Suite 242
Indianapolis, IN 46204
Phone: 888-860-6242
Email: cbarger@tos.in.gov